

HILTON GARDEN INN HOTEL CHARGE CONSENT
Councillor Andy Coles - Cabinet Member for Finance and Corporate Governance
December 2022
Deadline date: ASAP

Cabinet portfolio holder: Responsible Director:	Councillor Andy Coles, Finance and Corporate Governance Cecilie Booth - Executive Director of Corporate Services and Section 151 Officer Rochelle Tapping - Director of Law and Governance (Monitoring Officer)
Is this a Key Decision?	NO
Is this decision eligible for call-in?	No – Urgency procedures have been invoked
Does this Public report have any annex that contains exempt information?	NO.

RECOMMENDATIONS
The Cabinet Member is recommended to:
<ol style="list-style-type: none"> 1. Authorise the council's solicitors to grant consent and issue a certificate of compliance for the grant of a Lease and Easement at Plot 1A, Hilton Garden Hotel, Fletton Quays by Fletton Quays Hotel Ltd. 2. Authorise the council's Legal and professional fees in respect of the grant of consent are to be met by the Grantee.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for Cabinet Member for Finance and Corporate Governance to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (q).
- 1.2 With the approval of the Chairman of the Growth, Resources and Communities Scrutiny Committee, the urgency procedure has been invoked to waive the 3 day call in period. These procedures have been invoked because of the timescales required by the Fletton Quays Hotel Ltd and their electricity infrastructure provider to be able to schedule in the installation of the electricity infrastructure for the development so that key deadlines for

completion of the development can be met. There is a 12 week lead time on this with the scheduled opening of the Hotel being March 2023

2. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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3. **BACKGROUND AND KEY ISSUES**

3.1 A previous Cabinet Member Decision Notice (CMDN) gave authority for the council to lend the owners of the Hilton Garden Inn Hotel £15m to build it. (cabinet decisions SEP17/CAB/41 and OCT18/CMDN/47)

There is a charge registered against the Hotel's freehold title Register for Plot 1A, Fletton Quays, otherwise known as the Hilton Garden Inn Hotel (CB439008) in the council's favour which was a requirement of the loan agreements as security for the loan (Debenture and Facility Agreement between Fletton Quays Hotel Ltd (Chargor/Borrower) and Peterborough City Council (Chargee/Lender).

Restrictions in the loan agreements prevent the borrower from completing any disposals (leases and easements are classed as disposals) without the council's consent (as lender).

The hotel are wanting to grant a lease and easements to a utility company so electricity substations and associated infrastructure can be installed to provide power to the site.

Under the terms of the Debenture and Facility Agreement and the registered charge, prior consent is required from the council for any disposal affecting freehold title CB439008. This is to be further supported by a Certificate of Compliance for the Land Registry in respect of the charge.

The CMDN is to give approval to grant the consent.

Not doing so would jeopardise the loan as the development upon which it is secured could not be completed

Details of what the consent is specifically for are below:

In respect of Plot 1A: The Chargor now wishes to grant a Lease in respect of a substation site and easements at Hilton Hotel and Flats, East Station Road, Peterborough PE2 8AG between Fletton Quays Hotel Limited (1) and Eclipse Power Networks Limited (2). The land that is to be demised falls within CB439008 and is subject to the charge and terms and conditions of the Debenture and Facility Agreement. Therefore consent is required from the council as registered charge holder for both the grant of the lease and the grant of the ancillary rights.

In respect of Plot 1B: The Chargor wishes to grant an easement in relation to a second lease of a substation site at Plot 1B, Fletton Quays, Station Road, Peterborough between Propiteer Fletton Quays Limited (1) and Fletton Quays Hotel Limited (2) and Eclipse Power Networks Limited (3). Whilst the land demised in the lease falls within Plot 1B and is unaffected by the charge contained within CB439008, consent is still required from the council as holder of the registered charge on CB439008 as the lease grants ancillary rights over land within it.

4. **CORPORATE PRIORITIES**

4.1 Consider how the recommendation links to the council's Corporate Priorities:

1. The Economy & Inclusive Growth
 - Providing the consent will enable the installation of utilities infrastructure required to complete the development which when complete will provide jobs and create accommodation for visitors to the city.
2. Our Places & Communities
 - Providing the consent will enable the installation of utilities infrastructure required to complete the development which is providing flats, and a hotel
3. Improve the quality of the security on the council's Mortgage Loan
 - By enabling the hotels construction to be speeded up by access to mains electricity, and enable the hotel to fulfil the quality criteria of its anticipated franchise from Hilton International.

5. **CONSULTATION**

5.1 N/A

6. **ANTICIPATED OUTCOMES OR IMPACT**

6.1 Proceeding as per the recommendation will enable the hotel and apartment development to continue to completion. This will facilitate employment, homes and hotel accommodation for visitors to the city.

7. **REASON FOR THE RECOMMENDATION**

7.1 As per 6.1

8. **ALTERNATIVE OPTIONS CONSIDERED**

8.1 Doing nothing would jeopardise the security and repayment of the council's mortgage loan as the development would be unable to complete.

9. **IMPLICATIONS**

Financial Implications

9.1 There are no direct financial implications as the decision will not incur any costs to the council.

Legal Implications

9.2 Legal Services will be required to execute the consent and certificate of compliance.

Equalities Implications

9.3 None.

Climate and Environmental Implications

9.4 Not Applicable as the CMDN is purely to approve administration of a function required by virtue of a financial charge against privately owned property

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

10.1 None.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

11.1 None.

12. APPENDICES

12.1 None.